(b) if so, the items covered under this formula;

(c) the details of amount assessed item-wise for fixation of consumer sale price of LPG during the year 2007-2008; and

(d) the basis adopted to asses the basic price of LPG?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (d) The Government had decided that the subsidies on Domestic LPG, in the Post-APM era starting from 1.4.2002, would be on a specified flat-rate basis for each bottling plant and would be met from the fiscal budget. After providing for the aforesaid subsidy, the retail prices would then vary as per changes in the international oil prices. The subsidies were to be calculated as per the difference between cost price and issue price of LPG, where:

Cost price of domestic LPG for any bottling plant will be calculated on import parity basis. Details of elements in cost price have been specified in PDS Kerosence and Demestic LPG subsidy scheme 2002 notified on 28.01.2003.

Issue Price for the bottling plants from which sales of LPG are being affected prior to the commencement of the scheme the issue price of the products as on 31st March 2002, will be continued as such post 1st April, 2002 till revised by the participating company.

The basic selling price of domestic LPG is uniform across all refinery locations. The final selling price in markets varies on account of freight from refineries, local levies, delivery charges etc. The price build up of domestic LPG at Delhi in February, 2008 is given below:

Sl. No.	Particulars	Rs./Cyl.
1.	Price without customs Duty, Excise Duty and sales Tax components	283.41
2.	Custom Duty- Nil	0.00 0%
3.	Excise Duty- Nil	0.00 0%
4.	Sales Tax	11.34 4%
5.	Total of Customs Duty, Excise Duty and Sales Tax components (2+3+4)	11.34 4%
6.	Retail Selling Price at Delhi (1+5)	294.75

*Figures in bracket give the components of customs duty, excise duty and sales tax as a % of S. No. 6.

Despite of steep increase in international oil prices, the Government has not increased the price of domestic LPG over the last three years.

.Increase in sale price of gas for power/fertilizer Sector

†583. SHRI RAJ MOHINDER SINGH MAJITHA:
DR. MURLI MANOHAR JOSHI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the sale of natural gas for the purpose of utilisation in power and the form of fuel in fertilizers production sector is done by Government companies;

†Original notice of the question was received in Hindi.

(b) if so, at what rates gas is being sold to these sectors;

(c) whether Government has formulated a proposal to increase this price; and

(d) if so, what is the proposed hike in the price?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) GAIL (India) Limited supplies natural gas to fertilizers sector for use as fuel and feedstock.

(b) Administered Pricing Mechanism (APM) gas is sold at Rs. 3200 per Thousand Standard Cubic Metres (MSCM) out side the North-East and at Rs. 1920/MSCM in the North-East. Apart from that gas from other sources is supplied at market rate.

(c) No, Sir.

(d) Does not arise.

Strategic crude oil reserve

584. SHRI BALAVANT *ALIAS* BAL APTE
SHRI SHREEGOPAL VYAS:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government has recently taken a decision to build up a strategic crude oil reserve of 5 million metric tonnes in the country;

(b) if so, the details thereof and the total investment likely to be made for the purpose;

(c) whether Oil Industry Development Board (OIDB) will fund for building strategic crude oil reserves; and

(d) if so, the time by which such strategic crude oil reserves would be established?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) Yes Sir. The Government has decided in September, 2005 to set up strategic storage of crude oil of 5 MMT capacity at 3 locations *viz.* Vizag (1.0 MMT), Mangalore (1.5 MMT) and Padur, Udipi (2.5 MMT). The estimated capital cost (as per September, 2005 prices) was Rs. 2397 crores and the crude filling cost Rs. 8870 crores (based on the then crude price of $ 55 per barrel).

(c) Yes, Sir. OIDB will finance the cost of building the strategic storage. To meet the cost of crude, the Government could consider a temporary increase in the cess on domestic crude and/or customs duty on imported crude, if necessary.

(d) The completion targets for estalishing the strategic crude oil reserves are mentioned below:

Visakhapatnam	:	January 31, 2011
Mangalore	:	July 15, 2011
Padur	:	December 31, 2011

*MMT denotes Million Metric Tonnes

LPG connections in Rajasthan

585. DR. GYAN PRAKASH PILANIA:
SHRI LALIT KISHORE CHATURVEDI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether there is any waiting list of subscribers intending to have LPG connections in Rajasthan;